

Message Text

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43

ACTION NEA-10

INFO OCT-01 IO-13 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

A-01 OPR-02 SY-05 SAM-01 SAB-01 SAJ-01 SCCT-01 SSM-03

OC-06 CCO-00 SIL-01 LAB-04 EB-07 COME-00 TRSE-00

OMB-01 (ISO) W

----- 120074

R 131425Z AUG 76

FM AMCONSUL JERUSALEM

TO SECSTATE WASHDC 8212

INFO AMEMBASSY AMMAN

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMEMBASSY JIDDA

AMEMBASSY TEL AVIV

USMISSION USUN NY

LIMITED OFFICIAL USE JERUSALEM 1082

E.O. 11652: N/A

TAGS: ECON, PINS, IS, JO

SUBJ: WEST BANK DELEGATION DISCUSSES VAT WITH PERES,
STRIKE IN NORTH GOES ON

REF: JERUSALEM 10770

1. BUSINESSES IN NABLUS, TULKARM AND JENIN REMAINED CLOSED
AUG. 13 AS THE ANTI-VAT STRIKE THERE WENT THROUGH ITS
13TH DAY. QALQILYA WAS REPORTED TO BE PARTIALLY CLOSED.

2. A DELEGATION REPRESENTING THE WEST BANK CHAMBERS OF
COMMERCE MET FOR MORE THAN TWO HOURS AUG. 13 WITH
DEFMIN PERES IN TEL AVIV. BETHLEHEM MAYOR ELIAS FREIJ,
WHO HEADED THE DELEGATION, TOLD CONGEN OUTCOME WAS NOT
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SATISFACTORY. ACCORDING TO FREIJ, PERES TOLD GROUP HE WAS

NOT EMPOWERED TO RESCIND THE VAT, HOWEVER, HE DID MAKE FOUR CONCESSIONS: 1) TO EXEMPT FROM VAT AND RELATED BOOKKEEPING REQUIREMENTS BUSINESSES THAT GROSS SALES OF WHICH WERE LESS THAN IL 500 THOUSAND (ABOUT \$62,500) YEARLY (UP FROM IL 350 THOUSAND (ABOUT \$43,750), 2) TO POSTPONE COLLECTION, THOUGH NOT IMPOSITION, OF TAX UNTIL DEC. 1, 1976, 3) TO ESTABLISH COMMITTEES OF CUSTOMS OFFICIALS AND LOCAL BUSINESS LEADERS TO REVIEW CUSTOMS POLICY AND 4) TO MEET WITH WEST BANK REPRESENTATIVES AGAIN IN FEB. TO REVIEW THE SITUATION.

3. COMMENT: PERES' CONCESSIONS DO NOT ADDRESS BASIC ISSUES OF VAT AS SEEN BY WEST BANKERS. THEY ARE: ILLEGALITY OF TAX AND THE DRAIN OF ECONOMIC RESOURCES IT WILL CAUSE. FREIJ TOLD CONGEN HE IS CONSIDERING RECOMMENDING THREE-DAY STRIKES AT THE BEGINNING OF EACH MONTH AS A WAY OF CONTINUING THE ANTI-VAT PROTEST.
NEWLIN

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Message Attributes

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